



**SUMMARIZED MINUTES
SCOTTSDALE CITY COUNCIL
BUDGET SUBCOMMITTEE**

Public Meeting
Friday, April 7, 2006
City Hall Kiva
3939 N. Drinkwater Blvd.
Scottsdale AZ 85251

CALL TO ORDER

The Budget Subcommittee meeting was called to order on Friday, April 7, 2006 at 1:00 P.M.

ROLL CALL

Subcommittee: Councilman Robert Littlefield, Chairman
Councilmember Betty Drake
Vice Mayor Ron McCullagh

Staff: Jan Dolan, Craig Clifford, Art Rullo, Ed Gawf, Roger Klingler,
Al Dreska, Dave Mansfield, Mary O'Connor, Judy Register, John Little,
Frank Gray, Dave Roderique, Kathy O'Connor

Also Present: Rachel Sacco, Councilman Wayne Ecton

GENERAL BUSINESS

1. Review the proposed FY 2006/07 Budget by Service Area.

- **Transportation** (Mary O'Connor, Ed Gawf)

Mary O'Connor reviewed several projects for 06/07 funded through special funding sources such as LTAF and Proposition 400. Requests for personnel include two contract employees at the Airport to be converted to full time employees, one senior planner, one engineer, and one right-of-way manager. Two of the positions will be partially funded through Proposition 400. An evaluation decision package is also being submitted for transit service improvements. Discussion was held regarding performance criteria. Councilman McCullagh requested to see a comparison of this year's budget with last year's.

- **Preservation** (Bob Cafarella, Ed Gawf) This item was postponed to the next meeting.
- **Municipal Services** (Al Dreska, Roger Klingler)

Roger Klingler and Al Dreska provided an overview of the departmental operating budget of \$44.7M and the request for 8.75 additional employees (conversion of 13 from contract, 2 additional employees in Solid Waste, 4 additional employees in Fleet Management,

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3.5 new positions in Street Maintenance). Increases in fuel costs account for a large amount of the increased budget.

Discussion was held regarding bio-diesel, and Mr. Dreska said it is anticipated that legislation will focus on clean fuel as opposed to alternative fuel. In regard to the conversion of nine Inspector positions from contract to full-time, Mr. Dreska noted that some inspectors can cover three to four projects at one time.

- **Water Resources** (Dave Mansfield, Roger Klingler)

Roger Klingler reviewed the \$54.8M operating budget, increased 18%, driven by electrical rate increases and increased rates for chemicals. New positions being requested include staffing for the new Chaparral Treatment Plant, an operator for the Arsenic facility, ½ position for clerical, four new employees in Water Quality, and one conversion position in Water Conservation. A lot of Capital Projects are planned and reviewed by this department and also drive this budget.

Discussion was held regarding consistent rate increases over extended periods rather than one very large increase to water customers. Information was provided regarding legal issues and water right challenges surrounding Planet Ranch.

- **WestWorld** (Roger Klingler)

Roger Klingler provided an overview of the WestWorld operating budget of \$3.1M. The main change is the conversion of four contract personnel to full-time. Expenses include tent work/maintenance and equipment rental fees. Capital outlay includes a new sweeper and forklift.

Councilmember Drake expressed concerns about changing the tent color when other improvements are more necessary.

- **Citizen & Neighborhood Resources** (Judy Register, Ed Gawf)

Judy Register reviewed the department's budget of 3.6M, a 4% increase over 05/06. No new positions are requested. Funding is requested to continue neighborhood canvassing efforts beginning in the fall.

Discussion was held in regard to programs available to low income homeowners for landscape assistance or home maintenance.

- **The Downtown Group** (John Little, Ed Gawf)

John Little noted that of their \$4.9M budget, \$3.2M is for the Cultural Council contract. Other expenses are holiday lighting and a professional contract for a downtown website. A supplemental request this year is a proposal of \$228,000 for the Downtown Marketing Program, recently sent to the Budget Subcommittee through budget staff.

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Vice Mayor McCullagh questioned the logic of having the Cultural Council contract under the Downtown Group, and it was explained it is because Michelle Korf is the City's liaison and she is assigned to this department. Discussion was held regarding how downtown maintenance issues are coordinated by Mr. Little through other City departments. Council will be making a policy decision of how involved to get in the marketing of downtown.

- **Planning & Development Services** (Frank Gray, Ed Gawf)

Frank Gray distributed documents with a comparison with last year's budget, and one indicating where the requested positions are located in the departmental structure. Personnel changes include conversions of contract to full time employees in Administration and nine additional full time employees in Long Range and Current Planning. Interns will remain as contract personnel until they are more experienced.

Discussion was held regarding the high turn-over of Planners. Responding to Vice Mayor McCullagh, Mr. Gray said their departmental media liaison is Robin Meinhart.

- **Economic Vitality** (Dave Roderique)

Dave Roderique outlined functions of the four divisions (Economic Development, Tourism Development, Economic Revitalization, and Business Services). Of the \$8.5M budget, 5.6% over last year, \$7M is funded from bed tax, and \$6.4M of that is for the Visitors Bureau contract. Mr. Roderique explained that specialists/researchers are cross-trained to work in all divisions of the department.

Councilmember Drake wondered if the Downtown Marketing plan might be included under this department and wishes for that discussion to take place in the future.

- **Scottsdale Convention & Visitors Bureau** (Rachel Sacco)

Rachel Sacco reviewed the budget as approved by the City's Tourism Development Commission, noting that \$6.4M is from the City's bed tax.

The City Manager explained that 80% of the City's bed tax (a general fund revenue) is set aside for tourism, and 20% is for other items determined by Council. The Tourism Development Commission has previously recommended that local events be eliminated from the 80% of bed tax funds, and the Council accepted that recommendation. Vice Mayor McCullagh firmly believes that special event funding such as for Parada del Sol and the Music Festival should come from that 80% and wants to make that recommendation to the Council in the budget process.

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Feedback to staff from Subcommittee:

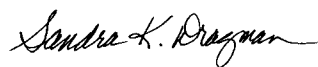
- A request was made to move the budget hearings into the Kiva Conference Room for better acoustics.
- A comprehensive list of all employees in the City in a communications role was requested.
- A listing was requested of all contract employees throughout the city being converted to full time employees.
- A request was made to show a comparison of this year's budget with last year's by adding an additional column to the spreadsheet. It was also suggested to add a column showing the additional requests for employees.
- Discussion was held regarding implications on departmental budgets and projects if Proposition 402 fails (this Proposition is proposed to increase the City's base expenditure limit). The City Manager will provide the Subcommittee with an analysis and recommendations for budget cuts should the proposition fail. It was noted that failure of the proposition will not affect CIPs. The Subcommittee decided the information should be brought before the whole Council in a Work Study Session, in an effort to educate the public.

REVIEW AND DISCUSS MEETING DATES AND WORK PLAN FOR THE CITY COUNCIL BUDGET SUBCOMMITTEE AND MAKE MODIFICATIONS AS NEEDED.

No modifications were made to the meeting dates at this time. The next two meetings are scheduled for Thursday, April 13 and Wednesday, April 19, 2006.

ADJOURNMENT - With no further business to discuss, the meeting adjourned at 4:26 PM.

SUBMITTED BY:



Sandy Dragman
Recording Secretary